

AMENDMENT 1 (Publication 1345A), February 3, 2006

IRS e-file Updates for Tax Year 2005

Schedule D-1, Continuation Sheet for Schedule D (Form 1040)

Electronic filers may attach Schedules D-1, or acceptable substitutes, to Form 8453, *U.S. Individual Income Tax Declaration for an IRS e-file Return*, although a paper document indicator is not currently available. The Summary Record is expected to be revised to include a paper document indicator for Schedules D-1 or acceptable substitutes effective March 1, 2006.

Taxpayers who submit paper Schedules D-1 or acceptable substitutes are ineligible to use a Personal Identification Number (PIN) signature method. We encourage Schedule D filers who are otherwise eligible to use a PIN signature method to use the Short or Long Term Capital Gain or Loss Records (STCGL/LTCGL) in place of Schedule D-1 attachments whenever possible.

Schedule D-1 should be added to the Form 8453 attachment list found at the bottom of the IRS e-file Submission Processing Center Chart on page 4.

Accepted Forms and Schedules Information

Form 8283

The number of occurrences for Form 8283 should be corrected to be 2.

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ERROR REJECT CODE (ERC) EXPLANATIONS	
<u>ERC</u>	<u>DESCRIPTION</u>
0170	o Schedule A - Casualty/Theft Loss (SEQ 0390) must equal Line 16 (SEQ 0430) or Line 21 (SEQ 0453) of Form 4684.
0178	o Form 1040 - When Specify Other Credit Block (SEQ 1006) equals "X", one of the following forms must be present: Form 3468, Form 5884, Form 6478, Form 6765, Form 8586, Form 8820, Form 8826, Form 8830, Form 8834, Form 8835, Form 8844, Form 8845, Form 8846, Form 8847, Form 8860, Form 8861, Form 8864 , Form 8874, Form 8881, Form 8882 or Form 8896 .
0189	o Form 1040 - If Total Adjustments (SEQ 0740) is significant, then at least one of the following fields must be significant: SEQ 0623, 0624, 0635, 0637, 0640, 0650, 0670 , 0680, 0697, 0700 , 0702 , 0705 , 0710 , 0730, 0733, 0735.
0237	o When Filing Status (SEQ 0130) of the Tax Form equals "2", SSN of Taxpayer with Employee Business Expense (SEQ 0009) of 2106 page 1 and SSN of Taxpayer with Employee Business Expense (SEQ 0133) of 2106 page 2 must equal the appropriate SSN, either Primary SSN (SEQ 0010) or Secondary SSN (SEQ 0030) of the Tax Form. o When only one Form 2106 is present for an individual (primary or secondary), Page 2 need not be transmitted if there are no entries for that page, but Page 2 cannot be present without Page 1. o When two Forms 2106 are present for an individual (primary or secondary), Page 1 must be present for the first form, Page 1 may not be present for the second form, and Page 2 must be present for both forms. (The second form is for additional vehicles only. Refer to Form 2106 Instructions for possible allocation from one Form 2106 in the case of expenses of reservists, Qualified Performing Artists, etc.) o When Form 2106 is present for an individual (primary or secondary), Form 2106-EZ may not be present for that individual.
0376	o Form 8812 - Bona fide residents of Puerto Rico with income excluded under Internal Revenue Code Section 933 should electronically file Form 1040 to claim Additional Child Tax Credit, and must have 3 or more qualifying children.
0385	o Form 8863 - The following limits apply to each Hope Credit student in Part I. Qualified Expenses Paid in the Current Tax Year (SEQ 0040, 0110, 0180 statement) cannot exceed \$4000. Smaller of Exp Paid in Current TY or \$1000 (SEQ 0050, 0120, 0190, statement) cannot exceed \$2000. Enter 1/2 of the Amt in Column E (SEQ 0070, 0140, 0210, statement) cannot exceed \$3000.
0386	o Form 1040/1040A - When Adjusted Gross Income (SEQ 0750) plus Student Loan Interest Deduction (SEQ 0702) is more than \$130,000 for "Married Filing Joint" or is more than \$65,000 for "Single" or "Head of Household" or "Qualifying Widow(er)", the Student Loan Interest Deduction (SEQ 0702) is not allowed.

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ERROR REJECT CODE (ERC) EXPLANATIONS

<u>ERC</u>	<u>DESCRIPTION</u>
0387	<ul style="list-style-type: none">o Form 8863 - Tentative Hope Credit (SEQ 0240) cannot exceed an amount equal to \$3000 multiplied by the number of Hope Credit students in Part I. If the number of Hope Credit students is zero, Tentative Hope Credit (SEQ 0240) cannot be positive.o Tentative Lifetime Learning Credit (SEQ 0470) cannot exceed \$4000 regardless of the number of Lifetime Learning Credit students. If the number of Lifetime Learning Credit students is zero, Tentative Lifetime Learning Credit (SEQ 0470) cannot be positive.o Education Credits (SEQ 0590) cannot exceed the sum of Tentative Hope Credit (SEQ 0240) and Tentative Lifetime Learning Credit (SEQ 0470).
0388	<ul style="list-style-type: none">o Form 1040/1040A - When Student Loan Interest Deduction (SEQ 0702) is significant, the filing status cannot equal "Married Filing Separately".
0389	<ul style="list-style-type: none">o Form 1040/1040A - Student Loan Interest Deduction (SEQ 0702) must not exceed \$2,500.
0540	<ul style="list-style-type: none">o RESERVED
0634	<ul style="list-style-type: none">o RESERVED
0684	<ul style="list-style-type: none">o Authentication Record - When the PIN TYPE Code (SEQ 0008) is equal to "P", "S" or "O", then the Paper Document Indicator 1 (SEQ 0150) or Paper Document Indicator 2 (SEQ 0153) or Paper Document Indicator 3 (SEQ 0156) or Paper Document Indicator 4 (SEQ 0159) or Paper Documents Indicator 5 (SEQ 0162) or Paper Document Indicator 6 (SEQ 0165) or Paper Document Indicator 7 (SEQ 0168) or Paper Document Indicator 8 (SEQ 0171) or Paper Document Indicator 9 (SEQ 0174) or Paper Document Indicator 10 (SEQ 0177) of Summary Record cannot be present.
0720	<ul style="list-style-type: none">o Form 3800 - When Form 5884-A is present, Form 3800 must be present.o When Form 5884-A is not present, but any two or more of the following forms are present, Form 3800 must be present: Form 3468, Form 5884, Form 6765, Form 8586, Form 8820, Form 8826, Form 8830, Form 8835, Form 8845, Form 8846, Form 8847, Form 8861, Form 8864, Form 8874, Form 8881, Form 8882 or Form 8896.
0722	<ul style="list-style-type: none">o Form 1040 - When Other Credits (SEQ 1015) is significant, at least one of the following forms must be present: Form 3468, Form 3800, Form 5884, Form 6478, Form 6765, Form 8586, Form 8801, Form 8820, Form 8826, Form 8830, Form 8834, Form 8835, Form 8844, Form 8845, Form 8846, Form 8847, Form 8860, Form 8861, Form 8864, Form 8874, Form 8881, Form 8882 or Form 8896.
0724	<ul style="list-style-type: none">o Form 3468 - If Current Year Credit (SEQ 0135) and Net Income Tax (SEQ 0320) both contain an entry greater than zero, then Form 6251 must be present.
0988	<ul style="list-style-type: none">o Form T - When Other Consideration Amount-S (SEQ 1540) is significant, Other Consideration Amount-S Statement (SEQ 1545) must equal "STMbnn".

Amendment 1 (Publication 1345A, February 3, 2006)

ERROR REJECT CODE (ERC) Explanations

<u>ERC</u>	<u>DESCRIPTION</u>
1120	o Form 4684 - If more than one Form 4684 is present, only the first occurrence of Form 4684 can contain entries in the following fields: SEQ 0400, 0410, 0420, 0435, 0445, 0447, 0451 and 0453.
1215	o Form 1040/1040A - When Exemption Amount (SEQ 0810) exceeds an amount equal to \$3,200 multiplied by Total Exemptions (SEQ 0355), Form 8914 must be present to substantiate the higher exemption amount. o Form 8914 - When Form 8914 is present, either Total Displaced Individual Exemption Amt (SEQ 0810), Total Exemption Amount (SEQ 0830), or Net Total Exemption Amount (SEQ 0940) must equal Exemption Amount (SEQ 0810) of Form 1040/1040A.

**Underpayment of
Estimated Tax by Individuals, Estates, and Trusts**
▶ See separate instructions.
▶ Attach to Form 1040, 1040A, 1040NR, 1040NR-EZ, or 1041.

Do You Have To File Form 2210?

Complete lines 1 through 7 below. Is line 7 less than \$1,000? **Yes** → **Do not file Form 2210.** You do not owe a penalty.

No ↓

Complete lines 8 and 9 below. Is line 6 equal to or more than line 9? **Yes** → You do not owe a penalty. **Do not file Form 2210** (but if box **E** below applies, you must file page 1 of Form 2210 below).

No ↓

You may owe a penalty. Does any box in Part II below apply? **Yes** → You **must** file Form 2210. Does box **B, C,** or **D** apply?

No ↓ **Yes** → You must figure your penalty.

No ↓

Do not file Form 2210. You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but **do not file Form 2210.**

You are not required to figure your penalty because the IRS will figure it and send you a bill for any unpaid amount. If you want to figure it, you may use Part III or Part IV as a worksheet and enter your penalty amount on your tax return, but file only page 1 of Form 2210.

Part I Required Annual Payment (see page 2 of the instructions)

1	Enter your 2005 tax after credits from Form 1040, line 57 (or comparable line of your return)	1		
2	Other taxes, including self-employment tax (see page 2 of the instructions)	2		
3	Refundable credits. Enter the total of your earned income credit, additional child tax credit, credit for federal tax paid on fuels, and health coverage tax credit for eligible individuals	3	()
4	Current year tax. Combine lines 1, 2, and 3. If less than \$1,000, see page 3 of the instructions	4		
5	Multiply line 4 by 90% (.90)	5		
6	Withholding taxes. Do not include estimated tax payments. See page 3 of the instructions	6		
7	Subtract line 6 from line 4. If less than \$1,000, you do not owe a penalty; do not file Form 2210	7		
8	Maximum required annual payment based on prior year's tax (see page 3 of the instructions)	8		
9	Required annual payment. Enter the smaller of line 5 or line 8	9		

Next: Is line 9 more than line 6?

- ☐ **No.** You **do not** owe a penalty. **Do not file Form 2210** unless box **E** below applies.
- ☐ **Yes.** You may owe a penalty, but **do not file Form 2210** unless one or more boxes in Part II below applies.
- If box **B, C,** or **D** applies, you must figure your penalty and file Form 2210.
 - If only box **A** or **E** (or both) applies, file only page 1 of Form 2210. You are **not** required to figure your penalty; the IRS will figure it and send you a bill for any unpaid amount. If you want to figure your penalty, you may use Part III or IV as a worksheet and enter your penalty on your tax return, but **file only page 1 of Form 2210.**

Part II Reasons for Filing. Check applicable boxes. If none apply, **do not file Form 2210.**

- A** ☐ You request a **waiver** (see page 2 of the instructions) of your entire penalty. You must check this box and file page 1 of Form 2210, but you are not required to figure your penalty.
- B** ☐ You request a waiver (see page 2 of the instructions) of part of your penalty. You must figure your penalty and waiver amount and file Form 2210.
- C** ☐ Your income varied during the year and your penalty is reduced or eliminated when figured using the **annualized income installment method.** You must figure the penalty using Schedule AI and file Form 2210.
- D** ☐ Your penalty is lower when figured by treating the federal income tax withheld from your wages as paid on the dates it was actually withheld, instead of in equal amounts on the payment due dates. You must figure your penalty and file Form 2210.
- E** ☐ You filed or are filing a joint return for either 2004 or 2005, but not for both years, and line 8 above is smaller than line 5 above. You must file page 1 of Form 2210, but you are **not** required to figure your penalty (unless box **B, C,** or **D** applies).

Part III Short Method

You do not need to file Form 2210 unless you checked a box in Part II on page 1.

You may use the short method if:

- You made no estimated tax payments (or your only payments were withheld federal income tax), **or**
- You paid estimated tax in **equal** amounts on your due dates.

You must use the regular method (Part IV) instead of the short method if:

- You made any estimated tax payments late,
- You checked box **C** or **D** in Part II, **or**
- You are filing Form 1040NR or 1040NR-EZ and you did not receive wages as an employee subject to U.S. income tax withholding.

Note: *If any payment was made earlier than the due date, you may use the short method, but using it may cause you to pay a larger penalty than the regular method. If the payment was only a few days early, the difference is likely to be small.*

10	Enter the amount from Form 2210, line 9	10		
11	Enter the amount, if any, from Form 2210, line 6	11		
12	Enter the total amount, if any, of estimated tax payments you made	12		
13	Add lines 11 and 12	13		
14	Total underpayment for year. Subtract line 13 from line 10. If zero or less, stop here; you do not owe the penalty. Do not file Form 2210 unless you checked box E on page 1	14		
15	Multiply line 14 by .04457 (use the factor shown in the instructions if you are eligible for hurricane relief)	15		
16	<ul style="list-style-type: none"> ● If the amount on line 14 was paid on or after 4/15/06, enter -0-. ● If the amount on line 14 was paid before 4/15/06, make the following computation to find the amount to enter on line 16. <div style="text-align: center;"> Amount on line 14 × Number of days paid before 4/15/06 × .00019 </div>	16		
17	Penalty. Subtract line 16 from line 15. Enter the result here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26 . . . ►	17		

Part IV Regular Method (See page 3 of the instructions if you are filing Form 1040NR or 1040NR-EZ.)**Section A—Figure Your Underpayment****Payment Due Dates**

	(a) 4/15/05	(b) 6/15/05	(c) 9/15/05	(d) 1/15/06
18 Required installments. If box C in Part II applies, enter the amounts from Schedule AI, line 25. Otherwise, enter 25% (.25) of line 9, Form 2210, in each column				
19 Estimated tax paid and tax withheld (see page 3 of the instructions). For column (a) only, also enter the amount from line 19 on line 23. If line 19 is equal to or more than line 18 for all payment periods, stop here; you do not owe a penalty. Do not file Form 2210 unless you checked a box in Part II Complete lines 20 through 26 of one column before going to the next column.				
20 Enter the amount, if any, from line 26 in previous column				
21 Add lines 19 and 20				
22 Add the amounts on lines 24 and 25 in previous column				
23 Subtract line 22 from line 21. If zero or less, enter -0-. For column (a) only, enter the amount from line 19.				
24 If line 23 is zero, subtract line 21 from line 22. Otherwise, enter -0-				
25 Underpayment. If line 18 is equal to or more than line 23, subtract line 23 from line 18. Then go to line 20 of the next column. Otherwise, go to line 26 ►				
26 Overpayment. If line 23 is more than line 18, subtract line 18 from line 23. Then go to line 20 of the next column				

Section B—Figure the Penalty (Complete lines 27 through 30 of one column before going to the next column.)

	4/15/05	6/15/05	9/15/05	1/15/06
Rate Period 1 April 16, 2005—September 30, 2005				
27 Number of days from the date shown above line 27 to the date the amount on line 25 was paid or 9/30/05, whichever is earlier	Days:	Days:	Days:	
28 Underpayment on line 25 (see page 4 of the instructions) $\times \frac{\text{Number of days on line 27}}{365} \times .06$ ►	\$	\$	\$	
Rate Period 2 October 1, 2005—April 15, 2006				
29 Number of days from the date shown above line 29 to the date the amount on line 25 was paid or 4/15/06, whichever is earlier	Days:	Days:	Days:	Days:
30 Underpayment on line 25 (see page 4 of the instructions) $\times \frac{\text{Number of days on line 29}}{365} \times .07$ ►	\$	\$	\$	\$
31 Penalty. Add all amounts on lines 28 and 30 in all columns. Enter the total here and on Form 1040, line 76; Form 1040A, line 48; Form 1040NR, line 74; Form 1040NR-EZ, line 26; or Form 1041, line 26, but do not file Form 2210 unless you checked a box in Part II ►				\$

Schedule AI—Annualized Income Installment Method (See pages 5 and 6 of the instructions.)

Estates and trusts, **do not** use the period ending dates shown to the right. Instead, use the following: 2/28/05, 4/30/05, 7/31/05, and 11/30/05.

Part I Annualized Income Installments

	(a) 1/1/05–3/31/05	(b) 1/1/05–5/31/05	(c) 1/1/05–8/31/05	(d) 1/1/05–12/31/05
1 Enter your adjusted gross income for each period (see instructions). (Estates and trusts, enter your taxable income without your exemption for each period.)				
2 Annualization amounts. (Estates and trusts, see instructions.)	4	2.4	1.5	1
3 Annualized income. Multiply line 1 by line 2				
4 Enter your itemized deductions for the period shown in each column. If you do not itemize, enter -0- and skip to line 7. (Estates and trusts, enter -0-, skip to line 9, and enter the amount from line 3 on line 9.)				
5 Annualization amounts	4	2.4	1.5	1
6 Multiply line 4 by line 5 (see instructions if line 3 is more than \$72,975)				
7 In each column, enter the full amount of your standard deduction from Form 1040, line 40, or Form 1040A, line 24 (Form 1040NR or 1040NR-EZ filers, enter -0-. Exception: Indian students and business apprentices, enter standard deduction from Form 1040NR, line 37, or Form 1040NR-EZ, line 11.)				
8 Enter the larger of line 6 or line 7				
9 Subtract line 8 from line 3				
10 In each column, multiply \$3,200 by the total number of exemptions claimed (see instructions if line 3 is more than \$109,475). (Estates and trusts and Form 1040NR or 1040NR-EZ filers, enter the exemption amount shown on your tax return.)				
11 Subtract line 10 from line 9				
12 Figure your tax on the amount on line 11 (see instructions)				
13 Self-employment tax from line 34 below (complete Part II)				
14 Enter other taxes for each payment period (see instructions)				
15 Total tax. Add lines 12, 13, and 14				
16 For each period, enter the same type of credits as allowed on Form 2210, lines 1 and 3 (see instructions)				
17 Subtract line 16 from line 15. If zero or less, enter -0-				
18 Applicable percentage	22.5%	45%	67.5%	90%
19 Multiply line 17 by line 18				
Complete lines 20–25 of one column before going to the next column.				
20 Enter the total of the amounts in all previous columns of line 25				
21 Subtract line 20 from line 19. If zero or less, enter -0-				
22 Enter 25% (.25) of line 9 on page 1 of Form 2210 in each column				
23 Subtract line 25 of the previous column from line 24 of that column				
24 Add lines 22 and 23				
25 Enter the smaller of line 21 or line 24 here and on Form 2210, line 18 ▶				

Part II Annualized Self-Employment Tax (Form 1040 filers only)

26 Net earnings from self-employment for the period (see instructions)	26				
27 Prorated social security tax limit	27	\$22,500	\$37,500	\$60,000	\$90,000
28 Enter actual wages for the period subject to social security tax or the 6.2% portion of the 7.65% railroad retirement (tier 1) tax	28				
29 Subtract line 28 from line 27. If zero or less, enter -0-	29				
30 Annualization amounts	30	0.496	0.2976	0.186	0.124
31 Multiply line 30 by the smaller of line 26 or line 29	31				
32 Annualization amounts	32	0.116	0.0696	0.0435	0.029
33 Multiply line 26 by line 32	33				
34 Add lines 31 and 33. Enter here and on line 13 above ▶	34				



**Underpayment of Estimated Tax by
Farmers and Fishermen**▶ Attach to Form 1040, Form 1040NR, or Form 1041.
▶ See instructions on back.

Identifying number

In most cases, you do not need to file Form 2210-F. The IRS will figure any penalty you owe and send you a bill. File Form 2210-F only if one or both of the boxes in Part I apply to you. If you do not need to file Form 2210-F, you still can use it to figure your penalty. Enter the amount from line 20 on the penalty line of your return but do not attach Form 2210-F.

Part I Reasons for Filing—If box 1a below applies to you, you may be able to lower or eliminate your penalty. But you **must** check that box and file Form 2210-F with your tax return. If box 1b below applies to you, check that box and file Form 2210-F with your tax return.

- 1 Check whichever boxes apply (if neither applies, see the text above Part I and **do not file Form 2210-F**):
- a ☐ You request a **waiver**. In certain circumstances, the IRS will waive all or part of the penalty. See the instructions for **Waiver of Penalty**.
- b ☐ Your required annual payment (line 15 below) is based on your 2004 tax and you filed, or are filing, a joint return for either 2004 or 2005 but not for both years.

Part II Figure Your Underpayment

2	Enter your 2005 tax after credits from Form 1040, line 57; Form 1040NR, line 52; or Form 1041, Schedule G, line 4	2		
3	Other taxes (see instructions)	3		
4	Add lines 2 and 3. If less than \$1,000, see instructions	4		
5	Earned income credit	5		
6	Additional child tax credit	6		
7	Credit for Federal tax paid on fuels	7		
8	Health coverage tax credit	8		
9	Add lines 5, 6, 7, and 8	9		
10	Current year tax. Subtract line 9 from line 4	10		
11	Multiply line 10 by 66%	11		
12	Withholding taxes. Do not include any estimated tax payments on this line (see instructions)	12		
13	Subtract line 12 from line 10. If less than \$1,000, stop here; you do not owe the penalty. Do not file Form 2210-F	13		
14	Enter the tax shown on your 2004 tax return. Caution: See instructions	14		
15	Required annual payment. Enter the smaller of line 11 or line 14 Note: If line 12 is equal to or more than line 15, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above.	15		
16	Enter the estimated tax payments you made by January 17, 2006, and any Federal income tax and excess social security or tier 1 railroad retirement tax withheld during 2005	16		
17	Underpayment. Subtract line 16 from line 15. If the result is zero or less, stop here; you do not owe the penalty. Do not file Form 2210-F unless you checked box 1b above	17		

Part III Figure the Penalty

18	Enter the date the amount on line 17 was paid or April 15, 2006, whichever is earlier	18	/	/	06
19	Number of days from January 15, 2006, to the date on line 18	19			
20	Penalty. Underpayment on line 17 × $\frac{\text{Number of days on line 19}}{365}$ × .07 ▶	20			

• Form 1040 filers, enter the amount from line 20 on Form 1040, line 76.
 • Form 1040NR filers, enter the amount from line 20 on Form 1040NR, line 74.
 • Form 1041 filers, enter the amount from line 20 on Form 1041, line 26.

Credits for Employers Affected by Hurricane Katrina, Rita, or Wilma

► Attach to your tax return.

OMB No. 1545-1978

Attachment
Sequence No. **77A**

Identifying number

SECTION A. Employee Retention Credit (see instructions)

1a Employers affected by Hurricane Katrina, enter the total qualified wages paid or incurred after August 28, 2005, and before January 1, 2006, while the business was inoperable . . .	1a												
b Employers affected by Hurricane Rita, enter the total qualified wages paid or incurred after September 23, 2005, and before January 1, 2006, while the business was inoperable	1b												
c Employers affected by Hurricane Wilma, enter the total qualified wages paid or incurred after October 23, 2005, and before January 1, 2006, while the business was inoperable	1c												
d Add amounts from lines 1a, 1b, and 1c	1d												
2 Enter 40% of line 1d. You must subtract this amount from your deduction for salaries and wages		2											
3 Employee retention credit(s) from pass-through entities: <table border="1" data-bbox="367 894 1170 1041"> <tr> <td>If you are a—</td> <td>Then enter the total of the current year credits from—</td> </tr> <tr> <td>a Shareholder . . .</td> <td>Schedule K-1 (Form 1120S), box 13, code F, G, or U</td> </tr> <tr> <td>b Partner . . .</td> <td>Schedule K-1 (Form 1065), box 15, code F, G, or U</td> </tr> <tr> <td>c Beneficiary . . .</td> <td>Schedule K-1 (Form 1041), box 13, code R</td> </tr> <tr> <td>d Patron . . .</td> <td>Written statement from cooperative</td> </tr> </table>	If you are a—	Then enter the total of the current year credits from—	a Shareholder . . .	Schedule K-1 (Form 1120S), box 13, code F, G, or U	b Partner . . .	Schedule K-1 (Form 1065), box 15, code F, G, or U	c Beneficiary . . .	Schedule K-1 (Form 1041), box 13, code R	d Patron . . .	Written statement from cooperative		3	
If you are a—	Then enter the total of the current year credits from—												
a Shareholder . . .	Schedule K-1 (Form 1120S), box 13, code F, G, or U												
b Partner . . .	Schedule K-1 (Form 1065), box 15, code F, G, or U												
c Beneficiary . . .	Schedule K-1 (Form 1041), box 13, code R												
d Patron . . .	Written statement from cooperative												
4 Current year credit. Add lines 2 and 3. Report this amount on Form 3800, line 1z. If you have a credit from Section B, see instructions. S corporations, partnerships, estates, trusts, cooperatives, regulated investment companies, and real estate investment trusts, see instructions		4											

SECTION B. Hurricane Katrina Housing Credit (see instructions)

5 Enter the value (up to \$600 per month per employee) of qualified lodging furnished in-kind to qualified employees during the tax year from January 1, 2006, through July 1, 2006 (see instructions)		5											
6 Enter 30% of line 5. You must subtract this amount from your deduction for salaries and wages		6											
7 Hurricane Katrina housing credit(s) from pass-through entities: <table border="1" data-bbox="367 1507 1170 1644"> <tr> <td>If you are a—</td> <td>Then enter the total of the current year credits from—</td> </tr> <tr> <td>a Shareholder . . .</td> <td>Schedule K-1 (Form 1120S), box 13, code F, G, or U</td> </tr> <tr> <td>b Partner . . .</td> <td>Schedule K-1 (Form 1065), box 15, code F, G, or U</td> </tr> <tr> <td>c Beneficiary . . .</td> <td>Schedule K-1 (Form 1041), box 13, code R</td> </tr> <tr> <td>d Patron . . .</td> <td>Written statement from cooperative</td> </tr> </table>	If you are a—	Then enter the total of the current year credits from—	a Shareholder . . .	Schedule K-1 (Form 1120S), box 13, code F, G, or U	b Partner . . .	Schedule K-1 (Form 1065), box 15, code F, G, or U	c Beneficiary . . .	Schedule K-1 (Form 1041), box 13, code R	d Patron . . .	Written statement from cooperative		7	
If you are a—	Then enter the total of the current year credits from—												
a Shareholder . . .	Schedule K-1 (Form 1120S), box 13, code F, G, or U												
b Partner . . .	Schedule K-1 (Form 1065), box 15, code F, G, or U												
c Beneficiary . . .	Schedule K-1 (Form 1041), box 13, code R												
d Patron . . .	Written statement from cooperative												
8 Current year credit. Add lines 6 and 7. Report this amount on Form 3800, line 1z. If you have a credit from Section A, see instructions. S corporations, partnerships, estates, trusts, cooperatives, regulated investment companies, and real estate investment trusts, see instructions		8											

Education Credits
(Hope and Lifetime Learning Credits)
▶ See instructions.
▶ Attach to Form 1040 or Form 1040A.

Caution: You **cannot** take both an education credit and the tuition and fees deduction (Form 1040, line 34, or Form 1040A, line 19) for the **same student** in the same year.

Part I Hope Credit. Caution: You **cannot** take the Hope credit for more than **2** tax years for the **same student**.

1	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions). Do not enter more than \$2,000* for each student.	(d) Enter the smaller of the amount in column (c) or \$1,000**	(e) Add column (c) and column (d)	(f) Enter one-half of the amount in column (e)
* For each student who attended an eligible educational institution in the Gulf Opportunity Zone, do not enter more than \$4,000. ** For each student who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of the amount in column (c) or \$2,000.						
2	Tentative Hope credit. Add the amounts on line 1, column (f). If you are taking the lifetime learning credit for another student, go to Part II; otherwise, go to Part III ▶					2

Part II Lifetime Learning Credit

3	Caution: You cannot take the Hope credit and the lifetime learning credit for the same student in the same year.	(a) Student's name (as shown on page 1 of your tax return) First name Last name	(b) Student's social security number (as shown on page 1 of your tax return)	(c) Qualified expenses (see instructions)
4	Add the amounts on line 3, column (c), and enter the total			4
5a	Enter the smaller of line 4 or \$10,000			5a
b	For students who attended an eligible educational institution in the Gulf Opportunity Zone, enter the smaller of \$10,000 or their qualified expenses included on line 4 (see special rules on page 3)			5b
c	Subtract line 5b from line 5a			5c
6a	Multiply line 5b by 40% (.40)			6a
b	Multiply line 5c by 20% (.20)			6b
c	Tentative lifetime learning credit. Add lines 6a and 6b and go to Part III			6c

Part III Allowable Education Credits

7	Tentative education credits. Add lines 2 and 6c		7
8	Enter: \$107,000 if married filing jointly; \$53,000 if single, head of household, or qualifying widow(er)	8	
9	Enter the amount from Form 1040, line 38*, or Form 1040A, line 22	9	
10	Subtract line 9 from line 8. If zero or less, stop ; you cannot take any education credits	10	
11	Enter: \$20,000 if married filing jointly; \$10,000 if single, head of household, or qualifying widow(er)	11	
12	If line 10 is equal to or more than line 11, enter the amount from line 7 on line 13 and go to line 14. If line 10 is less than line 11, divide line 10 by line 11. Enter the result as a decimal (rounded to at least three places)		12
13	Multiply line 7 by line 12 ▶	13	
14	Enter the amount from Form 1040, line 46, or Form 1040A, line 28	14	
15	Enter the total, if any, of your credits from Form 1040, lines 47 through 49, or Form 1040A, lines 29 and 30	15	
16	Subtract line 15 from line 14. If zero or less, stop ; you cannot take any education credits ▶	16	
17	Education credits. Enter the smaller of line 13 or line 16 here and on Form 1040, line 50, or Form 1040A, line 31 ▶		17

* If you are filing Form 2555, 2555-EZ, or 4563, or you are excluding income from Puerto Rico, see Pub. 970 for the amount to enter.

Exemption Amount for Taxpayers Housing Individuals Displaced by Hurricane Katrina

▶ Attach to Form 1040, Form 1040A, or Form 1040NR

OMB No. 1545-0074

2005

Attachment
Sequence No. **55**

Name(s) shown on your return



Your social security number

Part I Information on Individuals Displaced by Hurricane Katrina for Whom You Provided Housing in Your Main Home for at Least 60 Consecutive Days

Do not enter information for more than four individuals or for anyone included on line 6d of Form 1040 or 1040A (line 7d of Form 1040NR).

1	(a) First and last name	(b) Social security number (see instructions)	(c) Former address in disaster area (number and street, city or town, state, and ZIP code)	(d) Number of consecutive days housed in your main home

Part II Exemption Amount

2	Multiply \$500 by the total number of individuals listed in Part I above. Do not enter more than \$2,000 (\$1,000 if married filing separately)	2		
3	Multiply \$3,200 by the total number of exemptions claimed on line 6d of Form 1040 or Form 1040A (line 7d of Form 1040NR)	3		
4	Add lines 2 and 3	4		
5	Is the amount on Form 1040, line 38 (Form 1040A, line 22; or Form 1040NR, line 36), more than the amount shown on line 6 below for your filing status? <input type="checkbox"/> No.  Enter the amount from line 4 above on Form 1040, line 42 (Form 1040A, line 26; or Form 1040NR, line 39). <input type="checkbox"/> Yes. Enter on line 5 the amount from Form 1040, line 38 (Form 1040A, line 22; or Form 1040NR, line 36)	5		
6	Enter the amount shown below for your filing status. <ul style="list-style-type: none"> • Single—\$145,950 • Married filing jointly or Qualifying widow(er)—\$218,950 • Married filing separately—\$109,475 • Head of household—\$182,450 	6		
7	Subtract line 6 from line 5. Is the result more than \$122,500 (\$61,250 if married filing separately)? <input type="checkbox"/> Yes.  Enter the amount from line 2 above on Form 1040, line 42 (Form 1040A, line 26; or Form 1040NR, line 39) <input type="checkbox"/> No. Continue.	7		
8	Divide line 7 by \$2,500 (\$1,250 if married filing separately). If the result is not a whole number, increase it to the next higher whole number (for example, increase 0.0004 to 1)	8		
9	Multiply line 8 by 2% (.02) and enter the result as a decimal rounded to at least three places	9		
10	Multiply line 3 by line 9	10		
11	Exemption amount. Subtract line 10 from line 4. Enter the result here and on Form 1040, line 42; Form 1040A, line 26; or Form 1040NR, line 39	11		